



For Immediate Release

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***SENATE PASSES BILL TO REFORM PENSIONS, SECURE
RETIREMENTS OF MILLIONS OF AMERICANS, ENZI SAYS***

Washington, D.C. - U.S. Senator Mike Enzi (R-Wyo.), Chairman of the Senate Health, Education, Labor and Pensions (HELP) Committee, today applauded Senate approval of "The Pension Protection Act," H.R. 4, a bill which will dramatically strengthen pension funding rules, help curb record pension failures and better protect the retirement dreams of millions of Americans.

"The Senate has delivered a real victory for working Americans who spend a lifetime earning their pensions by adopting the safeguards and reforms we promised when I took the Chair of the Conference Committee on Pensions over four months ago," Enzi said Thursday. "The bill includes about 95 percent of the compromise language we developed in the Conference Committee. It's a package that will significantly strengthen pension funding rules, help curb record pension failures and better protect the retirement dreams of 45 million Americans."

"As the Senate's lone accountant, I'm particularly proud that we have worked our way through a maze of obstacles and emerged with a bill that still strikes a reasonable balance between the financial needs of retirees and the financial resources of the employers funding their pension plans," he added. H.R. 4 passed in the House of Representatives on July 28, and now awaits President Bush's signature.

Enzi said the bill will achieve his three fundamental principles for pension reform by:

- getting more money into pension plans so that the money workers have earned is there when they retire;
- ensuring that new pension funding rules governing plans are not so strict that they cause more bankruptcies and pension plan terminations; and,
- securing the Pension Benefit Guaranty Corporation, the insurer of last resort for the defined benefit system, without picking the pockets of taxpayers to keep the agency solvent.

Enzi thanked his colleagues on both sides of the aisle for overcoming near-derailment of the pensions bill last week to “pass legislation that will: get more money into pension plans; establish new funding rules for troubled multiemployer plans, demand greater accountability for pension participants and government regulators; and stop runaway growth of the PBGC’s \$23 billion deficit through premium increases and restrictions.”

Based in large part on S.1783, “The Pension Security and Transparency Act,” H.R. 4 is designed to ensure that pension plans are properly funded and that the retirement funds of an estimated 43.5 million Americans - covered by both single employer and multiemployer plans - are secure. Moreover, it will strengthen the PBGC’s ability to safeguard financially-troubled plans by requiring increased premiums be paid to the PBGC. Under current funding rules, the PBGC is carrying a deficit of \$22.8 billion, a level expected to climb even higher by the end of this year. Making matters worse, the PBGC reports that overall, pensions continue to be underfunded by \$450 billion and of that amount, \$108 billion is at risk of being turned over to the PBGC in the near future.

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